

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7182**

**BILL NUMBER: SB 537**

**NOTE PREPARED: Jan 9, 2013**

**BILL AMENDED:**

**SUBJECT:** Secretary of state, dealer services, and vehicles.

**FIRST AUTHOR:** Sen. Wyss

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Establishes a dealer services division (division) within the office of the secretary of state (secretary), and provides that the division administers and has jurisdiction over vehicle dealer (dealer) services (services). Establishes procedures: (1) for administration of the division; and (2) for judicial action concerning the division. Provides that a person who violates statutes or rules pertaining to services or an order issued by the secretary pertaining to services is subject to a civil penalty of up to \$10,000 for each violation. Establishes the dealer enforcement account to be used to support the division. Provides for criminal penalties for certain violations pertaining to services. Provides for criminal penalties for certain actions relating to unfair practices committed by persons subject to licensing by the division. Establishes the motor vehicle sales advisory board. Includes a transfer dealer as a dealer. Repeals and relocates language concerning dealer services and adds language concerning the requirements for a license for a wholesale dealer. Provides that an auto auctioneer is a person providing a place of business or facilities for the purchase and sale of more than three motor vehicles a year. (Under current law the threshold is one motor vehicle a year.) Provides that the 30 business day period for purposes of determining whether a reasonable number of attempts have been made to correct a nonconformity in the sale of certain motor vehicles is extended by any period during which repair services are unavailable due to civil unrest, fire, a natural disaster, a terrorist attack, an act of God, or war. (Current law extends the period only when repair services are unavailable due to a strike.) Provides that a dealer who fails to deliver a certificate of title within a certain time frame is subject to certain civil penalties for violations that occur within a calendar year. Requires a dealer to make payment to a third party to satisfy any obligation secured by the vehicle within ten days after the date of sale. (Current law requires that the payment be made within five days of sale.) Makes it a Class D felony for a disposal facility, a scrap metal processor, or an agent of a disposal facility or scrap metal processor to knowingly, intentionally, or recklessly buy a motor vehicle that is less than 15 model years old without a certificate of title for the motor vehicle. Makes it a Class A

misdemeanor for a dealer who sells, exchanges, or transfers a rebuilt vehicle without disclosing in writing to the purchaser, customer, or transferee, before consummating the sale, exchange, or transfer, the fact that the vehicle is a rebuilt vehicle, if the dealer knows or should reasonably know the vehicle is a rebuilt vehicle. Permits the secretary to commence a proceeding to administratively dissolve a corporation if the secretary receives credible evidence that the corporation is engaged in illegal activity or activity not authorized by the corporation's articles of incorporation. Repeals provisions superseded by this bill. Makes conforming amendments and technical corrections. Makes an appropriation.

**Effective Date:** Upon passage; July 1, 2013.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Heath Holloway, 232-9867.